

Placer County Economic Forecast

Placer County is located in the Sacramento Valley north of both Sacramento and El Dorado Counties, with an eastern border that touches the Nevada state line. The Sacramento Valley (consisting of Sacramento, Yolo, Placer, and El Dorado Counties) is one of the fastest growing regions in California. Placer County has a population of 305,700 people and over 128,400 wage and salary jobs. The per capita income in the county is \$37,330, and the average salary per worker is \$41,870.

Employment growth in the greater Northern California region was stagnant in 2004, due primarily to the weak Bay Area labor market. While employment in the Bay Area fell another 1 percent last year, employment in the Sacramento Valley grew by 1.3 percent. In 2004, nearly 2,000 total wage and salary jobs were created in Placer County, representing a growth rate of 2.0 percent. Non-farm employment grew at the same rate. The unemployment rate declined to a very tight 4.3 percent in 2004.

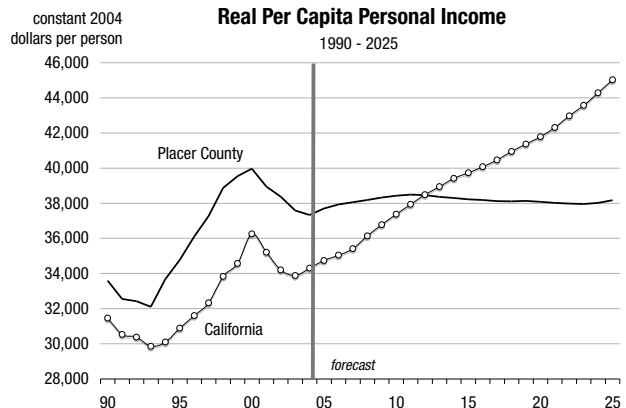
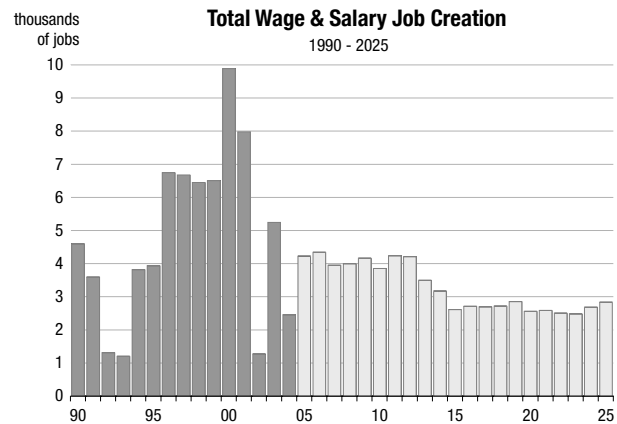
The principal sectors that are producing jobs in Placer County are education and healthcare services, transportation, and construction. The construction sector created the most new jobs in 2004, due to the large number of new homes recently authorized in the county. Employment in manufacturing increased slightly in 2004, for the first time since 2000.

The population continues to grow in Placer County, and the growth rate remains over 4 percent. The fastest growing cities in the county are Lincoln and Roseville, which grew 16.8 and 3.8 percent, respectively last year.

Employment and population growth will continue at healthy rates in Placer County over the next several years. Inland counties, like Placer County, will dominate growth in the state due to the relative affordability and higher production of homes.

Forecast Highlights

- Non-farm job growth is forecast to increase in 2005 to 3.3 percent. Job growth is expected to slow over the next five years, but will remain high, with an average growth rate of 2.9 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Average salaries adjusted for inflation rise an average of 1.3 percent per year over the next 5 years.
- Between 2005 and 2010, the momentum for employment growth remains in professional services, leisure services, retail trade and construction. These sectors account for 68 percent of all jobs created in the county over the next five years.
- The population will continue to grow at a rapid rate in the county. Annual growth in the 2005 to 2010 period averages



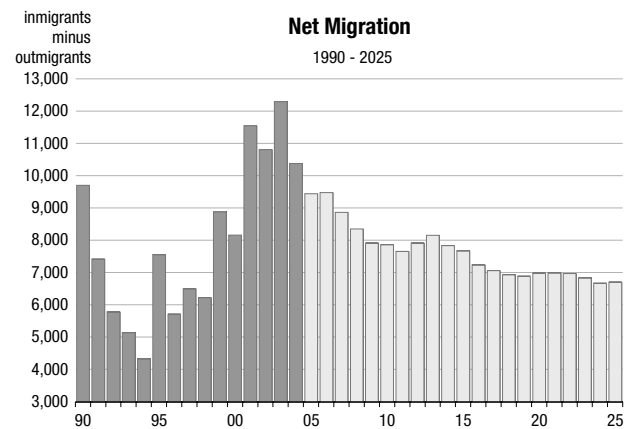
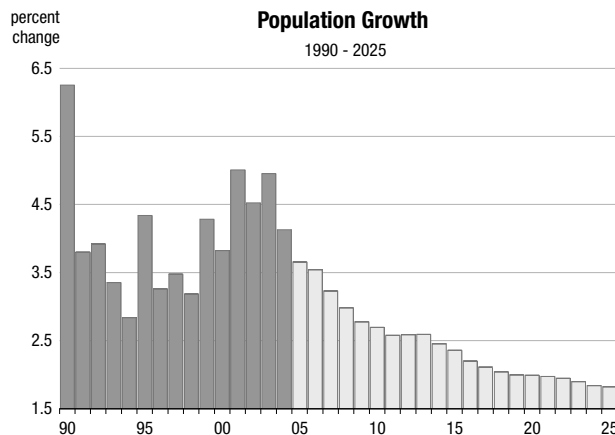
3.1 percent per year. Average growth in the state during this same period is 1.5 percent per year.

- Net migration will decline slightly to approximately 9,500 people in 2005. Over the next five years net migration is expected to continue to decline from historical highs of the last five years to an average of 8,500 net migrants entering the county per year.
- Real per capita incomes increase at a rate of 1.0 percent in 2005. Over the next five years real per capita incomes are forecast to increase 0.4 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase at a rate of 9.6 percent in 2005. Over the next five years real taxable sales are forecast to increase 5.6 percent per year.
- Industrial production is forecast to decline 1.5 percent in 2005. Over the next five years the growth rate of industrial production will positive, with total industrial production rising 3.9 percent per year.

Placer County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	211,600	7,554	212.0	74.9	2,574	\$2.5	\$5.6	\$34,775	2.0	63.3	0.78	6.2
1996	218,500	5,710	220.0	77.1	2,847	\$2.8	\$6.2	\$36,102	2.3	61.4	0.90	5.3
1997	226,100	6,498	214.7	79.6	3,837	\$3.1	\$6.8	\$37,266	3.4	61.5	1.02	4.6
1998	233,300	6,230	233.8	82.1	5,206	\$3.4	\$7.6	\$38,880	3.2	58.3	1.12	4.1
1999	243,300	8,877	246.0	85.9	4,896	\$4.0	\$8.3	\$39,535	4.2	67.3	1.32	3.2
2000	252,603	8,165	266.5	93.4	6,379	\$4.7	\$9.2	\$39,975	4.5	65.4	1.63	3.1
2001	265,256	11,547	287.8	97.2	5,974	\$5.2	\$9.9	\$38,948	5.4	64.5	1.35	3.5
2002	277,256	10,806	301.9	102.8	7,188	\$5.5	\$10.3	\$38,371	1.6	68.6	1.14	4.5
2003	290,997	12,296	308.8	108.7	5,254	\$6.0	\$10.8	\$37,591	1.8	74.0	1.22	4.7
2004	303,016	10,382	326.5	114.8	4,894	\$6.5	\$11.3	\$37,328	1.2	75.3	1.30	4.3
2005	314,096	9,440	338.0	118.1	5,056	\$7.3	\$12.0	\$37,698	1.7	77.2	1.28	4.0
2006	325,222	9,477	350.1	122.7	4,610	\$8.0	\$12.9	\$37,937	2.7	80.3	1.32	4.2
2007	335,732	8,862	361.7	126.9	4,359	\$8.8	\$13.7	\$38,057	2.6	82.7	1.36	4.4
2008	345,750	8,350	372.8	130.9	4,128	\$9.4	\$14.5	\$38,187	2.6	85.3	1.39	4.3
2009	355,356	7,913	383.5	134.6	4,165	\$10.1	\$15.3	\$38,324	2.5	86.0	1.47	4.4
2010	364,936	7,867	393.4	138.4	4,026	\$10.8	\$16.2	\$38,423	2.7	86.1	1.54	4.4
2011	374,339	7,653	402.2	142.1	4,259	\$11.5	\$17.1	\$38,494	2.7	86.6	1.65	4.4
2012	384,029	7,914	410.2	146.0	4,404	\$12.2	\$18.1	\$38,469	2.8	86.6	1.76	4.2
2013	393,989	8,152	417.1	150.0	4,150	\$13.0	\$19.0	\$38,367	2.9	86.6	1.84	4.0
2014	403,665	7,841	422.9	153.8	4,084	\$13.7	\$20.0	\$38,299	2.9	86.5	1.92	4.0
2015	413,184	7,679	427.4	157.5	3,801	\$14.5	\$21.1	\$38,221	3.1	86.6	1.95	4.1
2016	422,272	7,243	431.1	161.0	3,733	\$15.3	\$22.2	\$38,184	3.0	86.5	2.00	4.1
2017	431,189	7,065	433.8	164.4	3,669	\$16.1	\$23.2	\$38,126	2.9	86.5	2.07	4.3
2018	439,995	6,935	435.9	167.7	3,660	\$16.8	\$24.3	\$38,107	2.7	86.7	2.14	4.3
2019	448,784	6,889	437.5	171.0	3,742	\$17.6	\$25.5	\$38,130	2.8	86.2	2.23	4.3
2020	457,728	6,984	438.7	174.5	3,738	\$18.5	\$26.7	\$38,086	2.7	85.7	2.31	4.3
2021	466,766	6,993	439.9	177.9	3,721	\$19.3	\$27.9	\$38,023	2.6	85.4	2.39	4.2
2022	475,858	6,974	441.2	181.3	3,630	\$20.2	\$29.2	\$37,986	2.6	84.8	2.46	4.2
2023	484,893	6,839	442.5	184.6	3,535	\$21.1	\$30.5	\$37,956	2.7	84.8	2.55	4.2
2024	493,820	6,671	444.2	187.8	3,593	\$22.0	\$32.0	\$38,020	2.7	84.3	2.67	4.2
2025	502,814	6,708	446.4	191.1	3,656	\$23.0	\$33.6	\$38,179	2.7	83.9	2.79	4.1



Placer County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	75.2	0.33	5.0	6.9	1.68	12.3	4.1	8.2	2.00	8.2	11.0	12.8
1996	81.9	0.33	5.6	7.7	1.90	13.9	4.5	9.1	1.61	8.7	12.1	13.4
1997	88.6	0.36	6.6	8.5	1.95	15.3	5.0	9.7	1.80	8.9	12.6	14.4
1998	95.1	0.36	8.4	9.3	1.98	15.9	5.5	10.4	2.10	8.8	12.6	15.7
1999	101.6	0.34	10.0	10.1	2.27	16.3	5.9	11.0	2.22	9.1	13.2	16.8
2000	111.5	0.38	11.9	11.3	2.68	17.9	6.7	12.5	2.53	9.5	13.7	17.7
2001	119.5	0.38	14.1	10.5	3.09	19.9	7.3	13.3	2.59	10.8	14.5	18.2
2002	120.7	0.39	14.7	8.1	2.74	20.8	8.2	12.7	2.46	11.8	15.4	19.5
2003	126.0	0.63	16.6	7.9	2.72	21.8	9.1	13.5	2.47	12.3	15.8	19.4
2004	128.4	0.63	17.6	8.1	2.84	22.2	9.2	13.7	2.36	12.8	16.2	19.0
2005	132.7	0.69	18.3	7.7	2.91	23.3	10.1	14.4	2.30	13.2	16.8	19.1
2006	137.0	0.72	18.9	7.7	3.02	24.3	10.7	15.1	2.29	13.5	17.4	19.4
2007	141.0	0.73	19.4	7.5	3.16	25.1	11.1	15.9	2.31	13.8	18.1	19.7
2008	145.0	0.73	19.9	7.2	3.33	25.9	11.4	16.8	2.38	14.0	18.9	20.0
2009	149.1	0.72	20.3	7.2	3.50	26.6	11.7	17.7	2.46	14.3	19.6	20.4
2010	153.0	0.72	20.6	7.2	3.69	27.3	11.9	18.7	2.56	14.5	20.4	20.7
2011	157.2	0.72	20.9	7.4	3.87	27.9	12.2	19.7	2.67	14.7	21.0	21.1
2012	161.4	0.72	21.2	7.6	4.05	28.5	12.6	20.8	2.77	15.0	21.6	21.4
2013	164.9	0.72	21.4	7.6	4.24	29.1	12.8	21.8	2.86	15.2	22.2	21.7
2014	168.1	0.72	21.6	7.5	4.40	29.6	13.0	22.7	2.94	15.5	22.8	22.0
2015	170.7	0.72	21.7	7.2	4.54	30.1	13.0	23.4	3.02	15.8	23.4	22.3
2016	173.5	0.72	21.8	7.1	4.67	30.6	13.0	24.1	3.09	16.1	24.0	22.6
2017	176.2	0.72	22.0	7.1	4.80	31.0	13.0	24.6	3.16	16.5	24.7	22.9
2018	178.9	0.72	22.2	7.0	4.95	31.5	13.0	25.1	3.23	16.8	25.3	23.2
2019	181.7	0.72	22.4	7.0	5.12	31.9	13.0	25.6	3.29	17.3	25.8	23.5
2020	184.3	0.72	22.5	6.9	5.29	32.3	13.1	26.0	3.35	17.7	26.3	23.9
2021	186.9	0.72	22.6	6.9	5.46	32.7	13.2	26.4	3.40	18.1	26.6	24.2
2022	189.4	0.72	22.6	7.0	5.64	33.2	13.3	26.9	3.46	18.5	26.9	24.6
2023	191.9	0.73	22.6	7.1	5.81	33.6	13.3	27.3	3.51	18.9	27.2	25.0
2024	194.6	0.73	22.8	7.3	5.96	34.0	13.4	27.7	3.57	19.3	27.5	25.3
2025	197.4	0.73	23.1	7.6	6.13	34.4	13.6	28.1	3.64	19.7	27.7	25.6

